

#1760

## REGULATION ASSIGNMENT CONTROL SHEET

**LOG CONTROL NUMBER: 148**    **ANALYST**  
**ASSIGNED: CAREY**

**TYPE OF ACTION: NPP**

**TITLE: REHABILITATION SERVICES ADMINISTRATION:**  
**ACCESS TO TELEWORK FUNDS**

**RECEIVED: 6/5/02**

**DATE ASSIGNED: 6/5/02**

**DATE DUE: 6/12//02**

**ANALYST SIGNATURE:** Shari Carey

**COMPLETION DATE:** 6/7/02

**FINAL APPROVAL:** Joseph Schubert    **DATE:** June 11, 2002

Approved

**OMB NO:** 1820-0018    **Exp. Date -** 8/31/2004

**REG PART:**

## Rudolph, Kim

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**From:** Carey, Sheila  
**Sent:** Friday, June 07, 2002 12:18 PM  
**To:** Rudolph, Kim  
**Subject:** FW: NPP

**Importance:** High

approve 6/7/02 1820-0018 Expires 8/31/04

hard copy in your box

-----Original Message-----

**From:** Martin, Pamela  
**Sent:** Wednesday, June 05, 2002 3:40 PM  
**To:** Friday, Melzetta; Gregory, Wava; Fuller, Carole; Rosen, Jeff; Carey, Sheila; Finch, Tom; Collins, Laurie  
**Cc:** Alfreda Reeves; Gayle Palumbo; Joyce Libby; Mari Kierstein; Pamela Martin; Theresa Devaughn; Tom Finch  
**Subject:** NPP  
**Importance:** High

Attached is the NPP for the Access to Telework Funds. We will not hold the competition until FY03. We plan to give the public 60 days to comment. We would like to have clearance as soon as possible.



ATFNPPJune5.doc

4000-01-U  
DEPARTMENT OF EDUCATION

Rehabilitation Services Administration

Access to Telework Fund

AGENCY: Office of Special Education and Rehabilitative  
Services, Department of Education

ACTION: Notice of proposed priority and  
applicant/application and project requirements

SUMMARY: The Assistant Secretary for the Office of  
Special Education and Rehabilitative Services proposes  
a funding priority for an Access to Telework Fund  
(ATF). The Assistant Secretary may use this priority  
for competitions in FY 2002 and in later years. We  
take this action to expand employment opportunities for  
individuals with disabilities by providing greater  
access to computers and other equipment that will allow  
them to work from home if they choose. To accomplish  
this goal, the Access to Telework Fund would award  
grants, for a twelve-month project period, to States  
and American Indian tribal governments to enable them  
to provide loans for individuals with disabilities to  
purchase computers and other equipment for this  
purpose.

DATES: We must receive your comments on or before

\_\_\_\_\_, 2002.

ADDRESSES: Address all comments about this proposed priority to Pamela Martin, U.S. Department of Education, 400 Maryland Avenue, SW, room 3314, Switzer Building, Washington, DC 20202-2645. If you prefer to send your comments through the Internet, use one of the following addresses: Pamela.Martin@ed.gov or Gayle.Palumbo@ed.gov. You must include the term "Access to Telework Fund" in the subject line of your electronic message.

FOR FURTHER INFORMATION CONTACT: Gayle Palumbo.

Telephone (415) 556-4071 or via Internet:

Gayle.Palumbo@ed.gov

or Pamela Martin. Telephone (202) 205-8494 or via

Internet:Pamela.Martin@ed.gov

If you use a telecommunications device for the deaf (TDD), you may call the TDD number at (202) 205-4475.

Individuals with disabilities may obtain this document in an alternative format (e.g., Braille, large print, or computer diskette) on request to the one of the contact persons listed under FOR FURTHER INFORMATION CONTACT.

SUPPLEMENTARY INFORMATION:

## Invitation to Comment

We invite you to submit comments regarding this proposed priority. To ensure that your comments have maximum effect in developing the notice of final priority, we urge you to be specific about any recommended changes from the proposed priority. The Secretary is particularly interested in receiving comments on the following topics related to this priority:

1. eligible applicants for the Access to Telework Fund, including the clarity of who may apply for an ATF grant and the implications of allowing more than one agency within a State to apply for a grant;

2. the authorized activities that should be allowed under this program and appropriate uses of grant funds;

3. the definition of "telework," as it appears in this priority; and

4. requirements, including reporting requirements, and procedures to consider as essential in the establishment of this loan program and which should be included under "Applicant and Project Requirements." For example, comments are welcomed on more specific outcome measures in order to evaluate the

impact of the program.

We invite you to assist us in complying with the specific requirements of Executive Order 12866 and its overall requirement of reducing regulatory burden that might result from this proposed priority. Please let us know of any further opportunities we should take to reduce potential costs or increase potential benefits while preserving the effective and efficient administration of the program.

During and after the comment period, you may inspect all public comments about this proposed priority in room 3038, Switzer Building, 330 C Street, SW, Washington, DC, between the hours of 8:00AM and 5:00PM, Eastern time, Monday through Friday of each week except Federal holidays.

Assistance to Individuals With Disabilities in  
Reviewing the Rulemaking Record

On request, we will supply an appropriate aid, such as a reader or print magnifier, to an individual with a disability who needs assistance to review the comments or other documents in the public rulemaking record for the proposed priority. If you want to schedule an appointment for this type of aid, you may call (202) 205-8113 or (202) 260-9895. If you use a

TDD, you may call the Federal Information Relay Service at 1-800-877-8339.

We will announce the final priority in a notice in the Federal Register. We will determine the final priority after considering responses to this notice and other information available to the Department. This notice does not preclude us from proposing or funding additional priorities, subject to meeting applicable rulemaking requirements.

Note: this notice does not solicit applications. In any year in which we choose to use these proposed priorities, we invite applications through a notice in the Federal Register.

Priority: Access to Telework Fund

This new program will be conducted under section 303(b) of the Rehabilitation Act of 1973, as amended (Act). The proposed priority supports section 303(b) by furthering the purposes of the Act, specifically, empowering individuals with disabilities to maximize employment, economic self-sufficiency, independence, and inclusion and integration into society.

The priority would implement the Access to Telework Fund (ATF) proposed by the President in the New Freedom Initiative and funded by Congress in the

fiscal year 2002 appropriations under the Rehabilitation Services and Disability account. This new program would enable States and American Indian Tribes to provide loans for individuals with disabilities to purchase computers and other equipment so that they can work from home. This loan program will offer individuals with disabilities an attractive option that in some cases may significantly enhance their ability to work by providing needed equipment in order to work from home.

#### *Background*

In February of 2001, the President introduced his New Freedom Initiative to help Americans with disabilities by increasing access to assistive technologies, expanding educational opportunities, increasing the ability of Americans with disabilities to integrate into the workforce, and promoting increased access into daily community life. As a part of this initiative, the ATF was proposed to increase the participation of Americans with disabilities in the workforce by expanding telework opportunities.

The employment rate for people with disabilities is unacceptably low and for individuals with significant disabilities it is even lower. Yet most



people with disabilities who can work, but do not have jobs, say that they would like to work and contribute to the country's economy. In addition, people with disabilities who are employed are often forced, due to their disability, to work fewer hours than their peers. Telework and other alternative work options, such as home-based self-employment, are rapidly expanding employment options in the emerging information age. These work options provide employment opportunities to many Americans who want or need a flexible work environment. Americans with disabilities should have the same access to pursue employment opportunities in traditional and alternative work settings, as other members of society. However, individuals with disabilities continue to experience many barriers to employment, including lack of access or other limitations to employment in the traditional workplace.

Promoting telework options may also bring more individuals with disabilities into the labor market. Many individuals with disabilities, and individuals with chronic illnesses, may not be aware of how new technologies can accommodate flexible work schedules and expand employment options. Becoming more aware of what is available and that options do exist may open

more doors to employment. Telework and other flexible work arrangements can be viable alternatives for people with disabilities and can reduce or eliminate such barriers to employment as inadequate transportation, fatigue, inaccessible work environments, and the need for personal assistance. Some employees may want or need to telework almost exclusively, while others may choose to work from home only when the need arises. These alternatives can mean the difference between being able to work and not being able to work.

Computer technology and the Internet have tremendous potential to broaden the lives and increase the independence and employment of many people with disabilities. However, the computer and Internet revolution has not reached as many people with disabilities as the population without disabilities. Only 25percent of people with disabilities own a computer, compared with 66percent of U.S. adults without disabilities, and only 20percent of people with disabilities have access to the Internet, compared with 40percent of U.S. adults.

The primary barrier to wider access to computer equipment is cost. Computers with adaptive technology (e.g. screen readers, voice synthesizers, adaptive

keyboards, and specialized software) can cost as much as \$20,000. The median income of Americans with disabilities is far below the national average. Thus, for many individuals with disabilities, owning a computer with adaptive technology is prohibitively expensive. It is often very difficult for individuals with disabilities to save enough money to purchase computer or other necessary office equipment. Cash benefit programs do not provide sufficient funds for both living expenses and savings, and income support programs limit the amount of assets a person can accumulate. For a number of reasons, people with disabilities often find it difficult to access loans as a method to purchase necessary equipment. For example, they may have insufficient cash or collateral, lack an appropriate credit rating, or face attitudinal barriers.

It is anticipated that many employers will provide employees with the equipment they need to telework. We wish to emphasize that this program does not relieve covered employers from their obligations under the Americans with Disabilities Act (ADA). However, we realize that some individuals with disabilities need an alternative mechanism to access computers and other

needed equipment not provided by an employer to enable them to work from home. The Access to Telework Fund will provide that alternative mechanism.

*Proposed Priority*

Under 34 CFR 75.105(c)(3) the Assistant Secretary proposes to give an absolute preference to applications that meet the following priority. The Assistant Secretary proposes to fund under this competition only applications that meet this absolute priority.

This priority supports projects that establish an Access to Telework Fund to provide loans to individuals with disabilities for the purpose of purchasing computers and other equipment, including adaptive equipment, so that the individuals with disabilities can telework from home.

The term "telework" typically encompasses work done from home or from other designated sites away from the office such as work on the road or at a telework center. For the purposes of this program, telework is limited to work done from home, and not from the road or a telework center. However, loans under this program may be used to purchase computers and other equipment for individuals with disabilities who want to

work at home as an employee, a contractor, or work in home-based self-employment.

Consistent with legislative history, the Department intends to give grantees the flexibility to design and implement the Access to Telework program in a manner that will encourage participation of individuals with disabilities.

ELIGIBLE APPLICANTS: A State Agency, or State Agencies, including State Agencies from the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, are eligible to apply for ATF grants. Governing bodies of American Indian tribes located on Federal and State reservations (and consortia of such governing bodies) consistent with section 7(19)(B) of the Act are also eligible to apply for ATF grants.

Applicants may include, but are not limited to, State Vocational Rehabilitation Agencies; State Employment Agencies; State Agencies currently administering programs under the Assistive Technology Act, including the Assistive Technology State Grant Program or the Alternative Financing Program; Governors' Offices; or other appropriate State

Agencies. Applicants may also include consortia of State Agencies, with one Agency acting as the official applicant for the grant. More than one agency within a State may apply for a grant, but there must be coordination and communication between grantees in any single State.

Even though Indian tribal governments are not instrumentalities of State government, we are including tribal governments because they frequently provide services to individuals residing on or near Indian reservations (including individuals with disabilities) that are commensurate with State government services and we want to ensure that American Indians with disabilities residing on or near Indian reservations also have the opportunity to benefit from this program.

APPLICANT AND PROJECT REQUIREMENTS:

Application, matching, reporting, and other project requirements are as follows:

A. General Requirements for Applicants under this Competition

- (1) Each applicant under the ATF competition must provide information, in its application, on the manner in which their proposed loan program will expand employment opportunities for individuals

with disabilities by including information on the expected impact and outcomes of the project.

- (2) Applicants are allowed flexibility in the development of their proposed loan program under the Access to Telework Fund. However, the proposed loan procedures and criteria must be explained in the application for funding. At a minimum, the application must contain the following:

(a) Procedures that provide for the timely review and processing of loan applications and that include methods and processes that reduce paperwork and duplication of effort, particularly as they relate to the needs and eligibility of individuals with disabilities to receive loans from the project, including

- (i) Loan application procedures;
- (ii) The criteria whereby an individual with a disability may qualify for a loan, including criteria for determining credit worthiness; and
- (iii) If proposed, the description of any appeal process for applicants who are denied loans;

(b) The type(s) of alternative financing mechanisms the applicant is proposing to provide as part of the project and in conjunction with contracting organizations, if any, including

- (i) A low-interest loan program;
- (ii) An interest buy-down program;
- (iii) A revolving fund;
- (iv) A loan guarantee or insurance program;  
and/or
- (v) Any other mechanism that meets the requirements and intent of this program and is approved by the Secretary.

(c) Policies, procedures, and specifications related to the awarding and collection of loans, including

- (i) Minimum and maximum loan amounts;
- (ii) Criteria for determining the amount of a loan, the interest on loans, and how interest will be determined;
- (iii) Loan repayment and collection procedures, including procedures for handling situations where individuals are delinquent in repayment or default



on loans, and the consequences of defaulting on a loan; and

- (iv) If appropriate, possibilities for deferral of repayment and loan forgiveness under specified circumstances.

(d) Outreach and marketing strategies the applicant proposes to use to inform individuals with disabilities and other appropriate target groups about the program.

- (3) Each applicant must provide information, in its application, on the procedures to be used to ensure the individuals with disabilities who receive loans under this program intend to work from home.

- (4) If an applicant chooses to enter into contracts with private financial institutions, banks and/or credit unions, other State agencies, and/or community-based organizations, to administer the Access to Telework Fund, each such contract must include

- (a) A provision requiring that the program funds, including the Federal and non-Federal shares of the cost of the program, be

administered in a manner consistent with the requirements of this program, and

(b) Provisions for contract oversight and evaluation in order to protect Federal financial interests.

- (5) Each applicant must provide a description of each organization, if any, that it intends to use to carry out the Access to Telework Fund, by contract or other arrangements. The role and responsibilities of each organization must also be included.

B. Application Assurances-- Each applicant must provide the following assurances in its application:

- (1) All Federal and matching funds that support the Access to Telework Fund, including all principal and interest repaid during the life of the program, will be placed in a permanent separate account and identified and accounted for separately from any other funds;
- (2) If the State agency or American Indian Tribal Government administering the program invest the funds specified in subparagraph (1) above, the funds will be invested in low risk securities in

which a regulated insurance company may invest under the laws of the State;

- (3) Funds comprised of the principal and interest from the account described in subparagraph (1) above must be available to support the Access to Telework Fund and any interest or investment income that accrues on or derives from the investments noted in subparagraph (2) above must also be available to support the Access to Telework Fund;
- (4) Access to Telework Funds will be used to supplement and not supplant other Federal, State, and local public funds used to support similar services to individuals with disabilities;
- (5) Access to Telework funds will not be used as a substitute for employer responsibilities under the ADA, or in order to fulfill responsibilities of other parties under the ADA;
- (6) The State, American Indian Tribal Government, or consortia of eligible entities will continue the ATF program on a permanent basis or for as long as funding exists to support such a program,

including funding identified in subparagraphs  
(1) and (2) above;

- (7) The State agency or American Indian Tribal Government will administer the funds with the same judgment and care that a person of prudence, discretion, and intelligence would exercise in the management of the financial affairs of such person;
- (8) Materials that can be used by potential loan applicants to obtain information on loan availability, eligibility requirements, and procedures for applying for a loan will be provided in accessible formats;
- (9) The project will coordinate and share information and resources with other ATF projects within the State, as well as with the alternative financing programs such as those funded under Titles I and III of the Assistive Technology Act; and
- (10) Policies and procedures will be established to ensure that access to the ATF will be given to consumers regardless of type of disability, age, income level, or type of computers and other

equipment for which financing is requested through the program.

C. Matching Requirements and Limitations on Indirect Costs

- (1) The Federal share of the cost of the ATF must not be more than 90 percent. Therefore, each applicant must demonstrate it will provide at least 10 percent of the total program cost in non-Federal funds.
- (2) The State or American Indian tribal government or consortia of State agencies/ tribal government agencies must provide the non-Federal share of the cost of the ATF in cash from State, tribal, local, or private sources.
- (3) The non-Federal match requirement must be met within the twelve-month project period and does not need to be concurrent with the timing of Federal draw downs or expenditures of Federal funds.
- (4) Each grantee must limit indirect costs charged to the Federal grant to 10 percent of the total direct costs.

D. Reporting Requirements

Each grantee must collect and submit to the Secretary the following information within 90 calendar days after the end of the project period and annually thereafter, for as long as an ATF Program identified in subparagraphs (1) and (2) under paragraph B, Application Assurances, is in operation:

- (1) The total financial contribution to the project, including the Federal share and non-Federal matching contributions, and the source of the non-Federal share;
- (2) The amount of ATF funding requested by and provided to each individual consumer applicant for a loan;
- (3) The total number of loans requested by and made to individuals with disabilities and the total number of loans in each of the types of alternative financing mechanisms listed in paragraph A, subparagraph (2) above;
- (4) The number of loan applicants denied and the reasons for denial;
- (5) The amount and terms of each loan provided, including the interest rate;

- (6) The types of equipment financed through the project, including the total number of each type of equipment financed;
- (7) Information on the characteristics of each individual with a disability served under the project, including demographic information such as age and ethnicity; type of disability; employment status at loan application; whether the consumer tried to secure financial support from other sources and, if so, a description of those sources; whether the individual consumer went to work and if he/she is teleworking for some part of his/her job, the occupation in which the individual is working, and the hourly salary the individual is earning; and information on whether each individual has repaid his/her loan, is in repayment status, is delinquent on repayments, or has defaulted on the loan;
- (8) A breakdown of expenditures from the ATF program, including information on the amount paid in direct loans to individuals with disabilities, the amount devoted to administrative costs of

the program, and the nature of those administrative costs; and

(9) The default rate under the program.

#### Intergovernmental Review

This program is subject to Executive Order 12372 and the regulations in 34 CFR part 79. One of the objectives of the Executive Order is to foster an intergovernmental partnership and a strengthened federalism. The Executive Order relies on processes developed by State and local governments for coordination and review of proposed Federal financial assistance.

This document provides early notification of our specific plans and actions for this program.

#### Electronic Access to This Document

You may review this document, as well as all other Department of Education documents published in the Federal Register, in text or Adobe Portable Document Format (PDF) on the Internet at the following site:

[www.ed.gov/legislation/FedRegister](http://www.ed.gov/legislation/FedRegister)

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Register and the Code of Federal Regulations is  
available on GPO access at:

<http://www.access.gpo.gov/nara/index.html>

PROGRAM AUTHORITY: 29 U.S.C. 3051-3058

Dated:

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Robert Pasternak, Ph.D.  
*Assistant Secretary for  
Special Education and  
Rehabilitative Services*